

THE EFFECTS OF GLOBALISATION AND FOREIGN DIRECT
INVESTMENT ON THE MANUFACTURING OUTPUT IN NIGERIA

BY

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BEING

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DECLARATION

I ABUH, Ogajiya Ojamaliya hereby declare that this dissertation is my original work and that no portion of this work has been or will be submitted in support of an application for another degree or qualification of this or any other Universities or other institution of learning.

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CERTIFICATION

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DEDICATION

I dedicate this research work to the glory of my Faithful Father and Friend in Heaven who is too faithful to fail and has always watched over His word and brought it to pass early in my life.

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LIST OF ABBREVIATIONS

ACFTA -	African Continental Free Trade Area
CBN -	Central Bank of Nigeria
EU -	European Union
FDI -	Foreign Direct Investment
FPI -	Foreign Portfolio Investment
GATT -	General Agreement of Tariffs and Trade
GDP -	Gross Domestic Product
IPF -	Investment Policy Framework
IMF -	International Monetary Fund
ISI -	Import Substitution Industrialisation
MAN -	Manufacturing Association of Nigeria
NDP -	National Development Plan
NIPC -	National Investment Promotion Council
NIRP -	National Industrial Revolution Plan
SAP -	Structural Adjustment Programme
SDGs -	Sustainable Development Goals
TNC -	Transnational Corporation
UNDP -	United Nation Development Programme
WB -	World Bank
WTO-	World Trade Organisation

ABSTRACT

As the world economy becomes more globalised foreign direct investment continues to gain more prominence as a form of international economic interactions and instrument of international transactions. African continent has seen a major inflow of foreign investment into the region over the years and Nigerian is one of the major beneficiary of such inflows, despite the fact that Nigeria is one of the major recipients of foreign investment and the numerous policy directed towards the growth of the manufacturing sector, the sector has responded relatively low when compared to other sectors of the economy despite its huge potential. The study, thus, examined the effects of globalisation and Foreign Direct Investment on the Manufacturing sector output in Nigeria it used time series data from 1985 to 2016 which was estimated with the Johansen test of cointegration to estimate the long run relationship of the variables and the result showed that there is a long run relationship among the variables while Vector Error Correction Model revealed there is a slow speed of adjustment in the short run. One major finding is that Nigerian manufacturing sector output has negative effects with globalisation and Foreign Direct Investment has positive relationship with the manufacturing sector output. The study, thus, recommends that Government authorities should ensure proper policy framework are in place to discourage the negative effects of Globalisation on the Manufacturing sector and FDI should be channeled into the Manufacturing sector rather than the primary sector In other to boost the sector contribution to the growth of the economy.

KEYWORDS: Globalisation, Foreign Direct Investment, Manufacturing Sector.

